

D.T.E. 03-47
Attachment AG-1-27 (B)

Advanced Energy Systems, Inc.
Consolidated Income Statement
YTD March 2003

	Year to Date 2003 Actual
Operating Revenues	\$ 22,400,640
Fuel and purchased power	11,340,721
Gross Margin	11,059,919
Operating Expenses	
O & M (including payroll taxes and other)	5,433,420
NSTAR Electric & Gas Corp. service charges	183,631
FAS 143	199,072
PBOP	1,674,000
Taxes:	
Income	45,910
Property	1,026,000
Depreciation and amortization	1,508,076
Total Operating Expenses	10,070,109
Operating Income	989,810
Other Income	26,193
Operating and Other Income	1,016,003
Interest Charges:	
Interest on long-term debt	2,129,865
Capitalized interest	(1,188,204)
Interest on short-term debt and other interest	39,059
Total Interest Charges	980,720
Net Income (Loss)	\$ 35,283

BEC Funding LLC
Income Statements
Y.T.D. March 2003

	Year to Date 2003 Actual
Total Other Revenues	\$ 109,375
Gross Margin	109,375
Operating Expenses	
O & M	109,375
Taxes:	
Payroll and Other	0
Total Operating Expenses	109,375
Operating Income	0
Other Income	8,859,658
Operating and Other Income	8,859,658
Interest Charges:	
Interest on long-term debt	8,856,457
Total Interest Charges	8,856,457
Net Income	\$ 3,201

Boston Energy Technology Group, Inc
Income Statement
Y. T.D. March 2003

	Year to Date 2003 Actual
Operating Revenues	<u>0</u>
Gross Margin	<u>0</u>
Operating Expenses	
O&M Expense	130
Taxes:	
Income Taxes	(36,441)
Payroll and Other	0
Depreciation and amortization	0
DSM and renewable energy expense	0
Total Operating Expenses	<u>(36,311)</u>
Operating Income	36,311
Other (Deductions)/Income	(172,338)
Operating Income and Other (Deductions)/Income	(136,027)
Interest Charges:	
Interest on long-term debt	0
Interest on short-term debt and other interest	26,503
AFUDC - Debt	0
Total Interest Charges	<u>26,503</u>
Net (Loss) Income	<u>(162,530)</u>
(Loss) Income Available for Common	<u><u>(\$162,530)</u></u>

Cambridge Electric Light Company

Statements of Income

(Dollars in thousands)

(Unaudited)

Three months ended March 31,
2003

Operating revenues	<u>\$ 38,499</u>
Operating expenses:	
Purchased power and fuel	28,434
Operations and maintenance	2,693
Demand side management programs	624
Depreciation and amortization	1,386
Taxes -	
Income	1,546
Local property	423
Payroll and other	<u>104</u>
Total operating expenses	<u>35,210</u>
Operating income	3,289
Other income, net	<u>70</u>
Income before interest charges	<u>3,359</u>
Interest charges:	
Long-term debt	496
Other	478
Allowance for borrowed funds used during construction (AFUDC)	<u>(8)</u>
Total interest charges	<u>966</u>
Net Income	<u>\$ 2,393</u>

The accompanying notes are an integral part of these financial statements.

Canal Electric Company
Income Statement
Y.T.D. March 2003

	Year to Date 2003 Actual
Operating Revenue	
Wholesale Revenues	733,249
Other Revenues	<u>733,249</u>
Total Operating Revenues	
	<u>733,249</u>
Fuel and purchase power	
Gross Margin	<u>733,249</u>
Operating Expenses	
O&M Expense	733,407
Taxes:	
Income Taxes	117,854
Payroll and Other	0
Depreciation and amortization	<u>0</u>
Total Operating Expenses	<u>851,261</u>
Operating (Loss) Income	(118,012)
Other Income	346,444
Operating (Loss) Income and Other Income	228,432
Interest Charges:	
Interest on long-term debt	0
Interest on short-term debt and other interest	0
AFUDC - Debt	<u>0</u>
Total Interest Charges	<u>0</u>
Net Income	<u>228,432</u>
Income Available for Common	<u><u>\$228,432</u></u>

Commonwealth Electric Company

Statements of Income

(Dollars in thousands)

(Unaudited)

Three months ended March 31,
2003

Operating revenues	<u>\$ 121,231</u>
Operating expenses:	
Purchased power	75,709
Operations and maintenance	18,860
Demand side management programs	3,288
Depreciation and amortization	6,508
Taxes -	
Income	4,876
Local property	1,575
Payroll and other	<u>722</u>
Total operating expenses	<u>111,538</u>
Operating income	9,693
Other (deductions) income, net	<u>(134)</u>
Income before interest charges	<u>9,559</u>
Interest charges (income):	
Long-term debt	2,213
Other	134
Allowance for borrowed funds used during construction (AFUDC)	<u>(30)</u>
Total interest charges	<u>2,317</u>
Net income	<u>\$ 7,242</u>

The accompanying notes are an integral part of these financial statements.

Energy Investment Services
Income Statement
Y.T.D. March 2003

	Year to Date 2003 Actual
Total Operating Revenues	<u>\$0</u>
Fuel and purchase power	<u>0</u>
Gross Margin	<u>0</u>
Operating Expenses	
Taxes:	
Income Taxes	<u>0</u>
Payroll and Other	<u>0</u>
Total Operating Expenses	<u>0</u>
Operating Income	<u>0</u>
Other Income	<u>54,962</u>
Operating and Other Income	<u>54,962</u>
Interest Charges:	
Interest on short-term debt and other interest	<u>54,962</u>
Total Interest Charges	<u>54,962</u>
Net Income	<u>0</u>
Income Available for Common	<u>\$0</u>

Harbor Electric Energy Co.
Income Statement
Y.T.D. March 2003

	Year to Date 2003 Actual
Operating Revenue	
Retail Revenue	\$0
Distribution Revenue	0
Transmission Revenue	0
Other Retail Revenue	0
Total Retail Revenues	0
Wholesale Revenues	0
Other Revenues	1,229,400
Total Operating Revenues	1,229,400
Fuel and purchase power	0
Gross Margin	1,229,400
Operating Expenses	
O&M Expense	145,993
Taxes:	
Income Taxes	62,940
Payroll and Other	1,251
Depreciation and amortization	450,785
DSM and renewable energy expense	0
Total Operating Expenses	660,969
Operating Income	568,431
Other Income	6,033
Operating and Other Income	574,464
Interest Charges:	
Interest on long-term debt	470,346
Interest on short-term debt and other interest	6,600
AFUDC - Debt	0
Total Interest Charges	476,946
Net Income	97,518
Income Available for Common	\$97,518

NSTAR
Condensed Consolidated Statements of Income
(Unaudited)
(in thousands, except per share data)

	Three Months Ended March 31, 2003
Operating revenues	<u>\$ 763,555</u>
Operating expenses:	
Purchased power and cost of gas sold	434,239
Operations and maintenance	109,924
Depreciation and amortization	62,144
Demand side management and renewable energy programs	16,870
Property and other taxes	26,379
Income taxes	28,522
Total operating expenses	<u>678,078</u>
Operating income	<u>85,477</u>
Other income (deductions):	
Other income, net	1,056
Other deductions, net	<u>(617)</u>
Total other income, net	<u>439</u>
Interest charges:	
Long-term debt	31,779
Transition property securitization	8,684
Short-term debt and other interest	3,913
Allowance for borrowed funds used during construction (AFUDC)	<u>(1,288)</u>
Total interest charges	<u>43,088</u>
Net income	42,828
Preferred stock dividends of subsidiary	490
Earnings available for common shareholders	<u>\$ 42,338</u> =====
Weighted average common shares outstanding:	
Basic	53,033 =====
Diluted	53,312 =====
Earnings per common share:	
Basic	\$ 0.80 =====
Diluted	\$ 0.79 =====
Dividends declared per common share	\$ 0.54 =====

The accompanying notes are an integral part of the condensed consolidated financial statements.

NSTAR GAS COMPANY
STATEMENTS OF INCOME

(Unaudited)

(Dollars in thousands)

	For the Three Months Ended March 31, <u>2003</u>
GAS OPERATING REVENUES	\$ <u>202,989</u>
OPERATING EXPENSES	
Cost of gas sold	132,887
Operation and maintenance	23,765
Depreciation and amortization	7,618
Taxes -	
Income	13,175
Local property	2,666
Payroll and other	835
	<u>180,946</u>
OPERATING INCOME	22,043
OTHER INCOME (DEDUCTIONS), NET	<u>56</u>
INCOME BEFORE INTEREST CHARGES	<u>22,099</u>
INTEREST CHARGES	
Long-term debt	1,813
Short-term debt and other	318
	<u>2,131</u>
NET INCOME	<u>\$ 19,968</u>

The accompanying notes are an integral part of these financial statements.

NSTAR Communications, Inc.
Consolidated Income Statement
Year to Date March 2003

	Year to Date 2003 Actual
Operating Revenues:	
MBN Dark Fiber Revenues	\$ 1,438,673
MBN Lateral Construction Revenues	196,179
Joint Venture	1,515,845
Total Operating Revenues	<u>3,150,697</u>
Less Joint Venture Pass thru costs	735,289
Less Metro Boston Network Pass thru costs	225,305
Gross Margin	<u>2,190,103</u>
Expenses:	
O&M (includes payroll taxes and other)	1,071,145
Property Taxes	243,000
Depreciation and amortization	944,550
Asset retirement obligation	35,243
Total Expenses	<u>2,293,938</u>
Operations pre-tax loss	(103,835)
Other Taxes and Expense:	
Mass Tangible Property Taxes	20,002
Income Tax benefit on operating loss	(51,073)
Interest expense	<u>22,270</u>
Loss from operations	(95,034)
Tax benefits	-
Other income, net of tax	181
Total Non-operating income	<u>-</u>
Net (Loss) Income	<u>\$ (94,853)</u>

NSTAR Electric & Gas Corporation
Income Statement
Y.T.D. March 2003

	Year to Date 2003 Actual
Other Revenues	\$65,502,874
Total Operating Revenues	<u>65,502,874</u>
Fuel and purchase power	0
Gross Margin	<u>65,502,874</u>
Operating Expenses	
O&M Expense	62,200,880
Taxes:	
Income Taxes	(26,379)
Payroll and Other	2,674,667
DSM and renewable energy expense	(8,334)
Total Operating Expenses	<u>64,840,834</u>
Operating Income	662,040
Other Deductions	(683,589)
Operating Income and Other Deductions	(21,549)
Interest Charges:	
Interest on long-term debt	0
Interest on short-term debt and other interest	27,440
AFUDC - Debt	0
Total Interest Charges	<u>27,440</u>
Net (Loss) Income	<u>(48,989)</u>
(Loss) Income Available for Common	<u><u>(\$48,989)</u></u>

NSTAR Communications Securities Corporation
Income Statement
Y.T.D. March 2003

	Year to Date 2003 Actual
Total Operating Revenues	<u>0</u>
Operating Expenses	
O & M Expense	125
Taxes:	0
Income Taxes	20
Payroll and Other	0
Depreciation and amortization	0
DSM and renewable energy expense	0
Total Operating Expenses	<u>145</u>
Operating Loss	(145)
Other Income & Deductions:	
Other Income	181
Operating Loss and Other Income	<u>36</u>
Net Income	<u><u>\$36</u></u>

ADVANCED ENERGY SYSTEMS, INC.
STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED
MARCH 31, 2003

AES
March 31, 2003

	Actual
OPERATING ACTIVITIES	
Net income (loss)	\$ 35,283
Effects of noncash items	
Depreciation and amortization	1,508,076
Amortization of debt discount	179,262
Net change in restricted cash	(1,153,541)
Net change in working capital and other, net	4,029,142
Net cash provided by (used in) operating activities	<u>4,598,222</u>
INVESTING ACTIVITIES	
Plant expenditure (exclusive of Capitalized Interest)	(14,973,492)
Net cash used in investing activities	<u>(14,973,492)</u>
FINANCING ACTIVITIES	
Loans from Affiliates	<u>7,220,000</u>
Net cash provided by financing activities	<u>7,220,000</u>
Net decrease in cash	(3,155,270)
Cash at beginning of period	<u>3,182,216</u>
Cash at end of period	<u><u>\$ 26,946</u></u>

Boston Edison Company
Condensed Consolidated Statements of Cash Flows
(Unaudited)
(in thousands)

Three Months Ended March 31,
2003

Operating activities:	
Net income	\$ 19,027
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	42,991
Deferred income taxes and investment tax credits	22,286
Allowance for borrowed funds used during construction	(58)
Net changes in working capital	(10,777)
Deferred debits and credits	(63,022)
Net cash provided by operating activities	<u>10,447</u>
Investing activities:	
Plant expenditures (excluding AFUDC)	(29,093)
Other investments	182
Net cash used in investing activities	<u>(28,911)</u>
Financing activities:	
Redemptions of long-term debt	(150,419)
Transition property securitization certificates redemptions	(16,959)
Net change in notes payable	176,000
Dividends paid	(25,980)
Net cash used in financing activities	<u>(17,358)</u>
Net decrease in cash and cash equivalents	(35,822)
Cash and cash equivalents at beginning of year	44,062
Cash and cash equivalents at end of period	<u><u>\$ 8,240</u></u>
Supplemental disclosures of cash flow information:	
Cash paid during the period for:	
Interest, net of amounts capitalized	<u><u>\$ 22,210</u></u>
Income taxes	<u><u>\$ 3,681</u></u>

The accompanying notes are an integral part of the condensed consolidated financial statements.

CANAL ELECTRIC COMPANY
STATEMENT OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2003

Canal Electric
March 31, 2003

	YTD
	Actual
OPERATING ACTIVITIES	
Net income	\$ 228,432
Effects of noncash items -	
Depreciation and amortization	-
Deferred income taxes ITC	(17,977)
Net change in working capital and other, net	(222,978)
Net cash used in operating activities	(12,523)
INVESTING ACTIVITIES	
Plant expenditure (exclusive of AFUDC)	-
AFUDC	-
Proceeds from sale of Seabrook	-
Investments	-
Net cash provided by for investing activities	-
FINANCING ACTIVITIES	
Long-term debt redemptions	-
Capital Contribution from Parent	-
Dividends	-
Net cash provided by financing activities	-
Net decrease in cash	(12,523)
Cash at beginning of period	31,222
Cash at end of period	<u>\$ 18,699</u>

Cambridge Electric Light Company

Statements of Cash Flows

For the Three Months Ended March 31,

(Dollars in thousands)

(Unaudited)

	<u>2003</u>
Operating Activities:	
Net income	\$ 2,393
Effects of non-cash items -	
Depreciation and amortization	1,386
Deferred income taxes and investment tax credits	(4,105)
Net equity earnings	174
Allowance for borrowed funds used during construction	(8)
Changes in working capital, exclusive of cash and interim financing	1,861
Transition cost deferral	(2,574)
All other operating items	<u>5,559</u>
Net cash provided by operating activities	<u>4,686</u>
Investing Activities:	
Additions to property, plant and equipment (exclusive of AFUDC)	<u>(2,289)</u>
Financing Activities:	
Advances from affiliates	1,750
Payments of short-term borrowings	(2,700)
Payment of dividends	<u>(1,250)</u>
Net cash used in financing activities	<u>(2,200)</u>
Net increase in cash equivalents	197
Cash at beginning of period	<u>1,050</u>
Cash at end of period	<u>\$ 1,247</u>

Supplemental Disclosures of Cash Flow Information:

Cash paid during the period for:	
Interest (net of capitalized amounts)	<u>\$ 290</u>
Income taxes (refund)	<u>\$ 729</u>

The accompanying notes are an integral part of these financial statements

Commonwealth Electric Company
Statements of Cash Flows
For the Three Months Ended March 31,
(Dollars in thousands)
(Unaudited)

	<u>2003</u>
Operating Activities:	
Net income	\$ 7,242
Effects of noncash items -	
Depreciation and amortization	6,508
Deferred income taxes and investment tax credits	4,017
Allowance for borrowed funds used during construction	(30)
Changes in working capital, exclusive of cash and intern financing	10,454
Power contract buyout	(3,186)
All other operating items, net	(3,934)
Net cash provided by operating activities	<u>21,071</u>
Investing Activities:	
Additions to property, plant and equipment (exclusive of AFUDC)	(7,525)
Investments	-
Net cash used in investing activities	<u>(7,525)</u>
Financing Activities:	
Advances from affiliates	6,950
Changes in short-term borrowings	(4,100)
Payment of long-term debt	(15,000)
Retirement of long-term debt through sinking funds	(1,053)
Net cash used in financing activities	<u>(13,203)</u>
Net increase (decrease) in cash	343
Cash at beginning of period	2,310
Cash at end of period	<u>\$ 2,653</u>
Supplemental Disclosures of Cash Flow Information:	
Cash paid during the period for:	
Interest (net of amount capitalized)	<u>\$ 3,290</u>
Income taxes (refund)	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

MEDICAL AREA TOTAL ENERGY PLANT, INC.
Consolidated Statements of Cash Flows
For the Three-Month Period Ended March 31,
(In Thousands)
(Unaudited)

	<u>2003</u>
Operating Activities:	
Net income	\$ 436
Adjustments to reconcile net income to net cash provided by (used in) operating activities:	
Depreciation and amortization	1,706
Deferred tax expense	965
Amortization of debt discount	179
Capitalized interest	488
Net change in working capital	(1,258)
Net cash provided by (used in) operating activities	<u>2,516</u>
Investing Activities:	
Capital expenditures	<u>(11,936)</u>
Financing Activities:	
Proceeds from short-term borrowings, net	<u>6,400</u>
Net decrease in cash and cash equivalents	(3,020)
Cash and cash equivalents at beginning of period	<u>3,041</u>
Cash and cash equivalents at end of period	<u><u>\$ 21</u></u>
Supplemental Disclosures of Cash Flow Information:	
Cash paid during the year for:	
Interest	<u><u>\$ 1,947</u></u>

NSTAR
Condensed Consolidated Statements of Cash Flows
(Unaudited)
(in thousands)

Three Months Ended March 31,
2003

Operating activities:	
Net income	\$ 42,828
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	62,349
Deferred income taxes and investment tax credits	24,101
Allowance for borrowed funds used during construction	(1,288)
Net changes in:	
Current assets	(20,870)
Current liabilities	33,303
Net change from other operating activities	<u>(68,260)</u>
Net cash provided by operating activities	<u>72,163</u>
Investing activities:	
Plant expenditures (excluding AFUDC)	(55,031)
Other investments	<u>294</u>
Net cash used in investing activities	<u>(54,737)</u>
Financing activities:	
Long-term debt redemptions	(166,472)
Transition property securitization	(16,959)
Net change in notes payable	168,800
Dividends paid	<u>(29,128)</u>
Net cash used in financing activities	<u>(43,759)</u>
Net decrease in cash and cash equivalents	(26,333)
Cash and cash equivalents at beginning of year	<u>53,438</u>
Cash and cash equivalents at end of period	\$ 27,105
	=====
Supplemental disclosures of cash flow information:	
Cash paid during the period for:	
Interest, net of amounts capitalized	\$ 49,882
	=====
Income taxes	\$ 6,519
	=====

The accompanying notes are an integral part of the condensed consolidated financial statements.

**NSTAR COMMUNICATIONS, INC. CONSOLIDATED
STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED
MARCH 31, 2003**

NSTAR Communications, Inc. Statement of Cash Flows March 31, 2003	
	Actual
OPERATING ACTIVITIES	
Net (loss) income	\$ (94,853)
Effects of noncash items	
Depreciation and amortization	944,550
RCN write-down	-
Tax benefits - sale of excess properties	-
Net change in working capital and other, net	<u>1,805,080</u>
Net cash provided by operating activities	<u>2,654,777</u>
INVESTING ACTIVITIES	
Plant expenditure (exclusive of Capitalized Interest)	<u>(60,955)</u>
Net cash used for investing activities	<u>(60,955)</u>
FINANCING ACTIVITIES	
Dividend	(3,000,000)
Proceeds from short-term borrowing	-
Net cash used for financing activities	<u>(3,000,000)</u>
Net decrease in cash	(406,178)
Cash at beginning of period	<u>796,945</u>
Cash at end of period	<u><u>\$ 390,767</u></u>

NSTAR GAS COMPANY

STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31,

(Unaudited)

(Dollars in thousands)

2003

OPERATING ACTIVITIES:

Net income	\$ 19,968
Effects of non-cash items -	
Depreciation and amortization	7,618
Deferred income taxes and investment tax credits	(1,027)
Changes in working capital, exclusive of cash and interim financing	4,765
All other operating items	<u>1,642</u>

Net cash provided by operating activities 32,966

INVESTING ACTIVITIES:

Additions to property, plant and equipment (inclusive of AFUDC)	<u>(3,257)</u>
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FINANCING ACTIVITIES:

Payment of dividends	-
Payments of short-term borrowings	(22,900)
(Payments to) advances from affiliates	<u>(5,500)</u>

Net cash used for financing activities (28,400)

Net increase (decrease) in cash 1,309

Cash at beginning of period 1,903

Cash at end of period \$ 3,212

Supplemental Disclosures of Cash Flow Information

Cash paid during the period for:	
Interest (net of amounts capitalized)	<u>\$ 175</u>
Income taxes	<u>\$ 1,791</u>

Advanced Energy Systems, Inc.
Consolidated Balance Sheet

	March 2003
Assets	
Property, Plant & Equipment - net	\$ 49,895,863
CWIP	42,674,351
Investments	87,816
Current Assets	
Cash and temporary cash	26,946
Restricted Cash	11,736,494
Accounts Receivable	9,597,945
A/R from Assoc. Co.	646,822
Fuel Stock	475,961
Prepays and Other Current Assets	1,023,298
Total Current Assets	<u>23,507,466</u>
Deferred Income Tax Asset	56,215,229
Customer Contracts	20,934,242
Deferred Debits	<u>3,398</u>
Total Assets	<u>\$ 193,318,365</u>
Capitalization and Liabilities	
Total Common Equity	\$ 56,975,619
Cumulative Comprehensive Income	"
Long-Term Debt	103,582,552
Discount on Long-Term Debt	(1,481,959)
Current Liabilities	
Long-term debt due in 1 year	2,411,448
Notes Payable - Assoc. Co.	11,145,000
Accounts Payable	11,186,851
Other Current Liabilities	<u>9,498,855</u>
Total Current Liabilities	34,242,154
Deferred Credits	<u>-</u>
Total Capitalization and Liabilities	<u>\$ 193,318,365</u>

BEC Funding LLC **Balance Sheet**

	<u>March 2003</u>
<u>Assets</u>	
Current Assets	
Cash and equivalents	\$ 3,625,000
A/R from Assoc. Cos.	59,134,922
Prepaid and Other Current Assets	(10,701)
Total Current Assets	<u>62,749,221</u>
Notes Receivable - Assoc. Co.	411,000,000
Discount on Notes Receivable	(2,029,165)
Total Notes Receivable- Assoc. Co.	<u>408,970,835</u>
Total Assets	<u><u>\$ 471,720,056</u></u>
<u>Capitalization and Liabilities</u>	
Total Common Equity	\$ 3,617,870
Long-Term Debt	411,081,000
Discount on Long-Term Debt	(2,028,420)
Total Long-Term Debt	<u>409,052,580</u>
Current Liabilities	
LTD Due 1 Year	68,419,000
Other Liabilities, net of Amounts Held with Trustee	(9,369,394)
Total Current Liabilities	<u>59,049,606</u>
Total Capitalization and Liabilities	<u><u>\$ 471,720,056</u></u>

Boston Energy Technology Group, Inc.

Balance Sheet

	March 2003
<u>Assets</u>	
Investments in Subsidiaries	\$ 34,545,174
Current Assets	
Cash and equivalents	614,875
A/R from Assoc. Cos.	<u>2,572,355</u>
Total Current Assets	3,187,230
Deferred tax asset	<u>3,396,201</u>
Total Assets	<u>\$ 41,128,605</u>
<u>Capitalization and Liabilities</u>	
Common Stock Equity	\$ 40,256,279
Current Liabilities	
Accounts Payable - Assoc. Co.	1,769
Other Current Liabilities	<u>1,141,898</u>
Total Current Liabilities	1,143,667
Deferred Credits	<u>(271,341)</u>
Total Capitalization and Liabilities	<u>\$ 41,128,605</u>

Boston Edison Company
Condensed Consolidated Balance Sheets

(in thousands)

	(Unaudited) March 31, <u>2003</u>
<u>Assets</u>	
Utility plant in service, at original cost	\$2,799,582
Less: accumulated depreciation	<u>864,602</u>
	1,934,980
Construction work in progress	<u>44,007</u>
Net utility plant	1,978,987
Equity investments	11,410
Current assets:	
Cash and cash equivalents	8,240
Restricted cash	3,616
Accounts receivable customers, net	183,843
Accrued unbilled revenues	14,337
Materials and supplies, at average cost	13,985
Deferred tax asset	-
Other	<u>15,965</u>
Total current assets	<u>239,986</u>
Deferred debits:	
Regulatory assets	1,233,009
Other	<u>177,925</u>
Total assets	<u><u>\$3,641,317</u></u>

The accompanying notes are an integral part of the condensed consolidated financial statements.

Boston Edison Company
Condensed Consolidated Balance Sheets

(in thousands)

	(Unaudited) March 31, <u>2003</u>
<u>Capitalization and Liabilities</u>	
Common equity:	
Common stock, par value \$1 per share (75 shares issued and outstanding)	\$ -
Premium on common stock	278,795
Retained earnings	<u>469,040</u>
Total common equity	<u>747,835</u>
Cumulative non-mandatory redeemable preferred stock	<u>43,000</u>
Long-term debt	840,187
Transition property securitization	<u>411,081</u>
Total long-term debt	<u>1,251,268</u>
 Total capitalization	 <u>2,042,103</u>
Current liabilities:	
Transition property securitization	58,405
Long-term debt	275
Notes payable	176,000
Accounts payable -	
Affiliates	3,301
Other	122,498
Accrued interest	17,752
Other	<u>48,565</u>
Total current liabilities	<u>426,796</u>
Deferred credits:	
Accumulated deferred income taxes and unamortized investment tax credits	614,672
Power contracts	312,408
Other	<u>245,338</u>
Total deferred credits	<u>1,127,418</u>
Commitments and contingencies	
 Total capitalization and liabilities	 <u><u>\$3,641,317</u></u>

The accompanying notes are an integral part of the condensed consolidated financial statements.

Cambridge Electric Light Company

Balance Sheets

(Dollars in thousands)

	(Unaudited)
	March 31,
<u>Assets</u>	<u>2003</u>
Property, plant and equipment, at original cost	\$ 157,377
Less - Accumulated depreciation	<u>55,433</u>
	101,944
Add - Construction work in progress	<u>5,003</u>
	<u>106,947</u>
Equity and other investments	<u>6,154</u>
Goodwill	<u>50,562</u>
Long-term receivable - affiliate	<u>18,009</u>
Current assets	
Cash	1,247
Accounts receivable -	
Affiliated companies	7,743
Customers, net of allowances of	
\$677 and \$672, respectively	11,802
Unbilled revenues	1,090
Inventories, at average cost	349
Prepaid property taxes and other	<u>673</u>
Total current assets	<u>22,904</u>
Deferred charges	
Regulatory assets - power contracts	51,724
Regulatory assets - pension costs	11,081
Regulatory assets - other	45,220
Other	<u>9,012</u>
	<u>117,037</u>
	<u>\$ 321,613</u>

The accompanying notes are an integral part of these financial statements.

Cambridge Electric Light Company

Balance Sheets

(Dollars in thousands)

	(Unaudited)
	March 31,
<u>Capitalization and Liabilities</u>	<u>2003</u>
Common equity -	
Common stock, \$25 par value	
Authorized and outstanding -	
346,600 shares, wholly-owned by NSTAR	\$ 8,665
Amounts paid in excess of par value	90,601
Retained earnings	<u>12,528</u>
	111,794
Long-term debt	<u>25,000</u>
	<u>136,794</u>
Current liabilities	
Interim financing -	
Notes payable to banks	15,500
Advances from affiliates	<u>12,220</u>
	<u>27,720</u>
Other current liabilities -	
Accounts payable - other	16,482
Deferred income taxes	-
Accrued interest	1,009
Other	<u>18,310</u>
	<u>35,801</u>
Total current liabilities	<u>63,521</u>
Deferred credits	
Power contracts	87,752
Accumulated deferred income taxes	19,875
Unamortized investment tax credits and other	<u>13,671</u>
	<u>121,298</u>
Commitments and contingencies	
	<u>\$ 321,613</u>

The accompanying notes are an integral part of these financial statements.

Canal Electric Company
Balance Sheet

	March 2003
<u>Assets</u>	
Capital Lease - Hydro Quebec	\$ 8,488,014
Net Nuclear Fuel Investments	-
1,814,881	
Current Assets	
Cash and Equivalents	18,699
Accounts Receivable	114,149
A/R from Assoc. Cos., net	79,536,915
Materials and Supplies	-
Prepaid and Other Current Assets	102,079
Total Current Assets	79,771,842
Other Deferred Debts	
Regulatory Assets	4,106
-	
Total Assets	<u>\$ 90,078,843</u>
<u>Capitalization and Liabilities</u>	
Common Stock Equity	\$ 69,300,810
Capital Lease Obligation - non current	7,926,035
Current Liabilities	
Accounts Payable	15,837
Other Current Liabilities	4,392,262
Current Liabilities	4,408,099
Deferred Credits	8,443,899
Total Capitalization and Liabilities	<u>\$ 90,078,843</u>

Commonwealth Electric Company

Balance Sheets

(Dollars in thousands)

	(Unaudited) March 31, 2003
<u>Assets</u>	
Property, plant and equipment, at original cost	\$ 668,869
Less - Accumulated depreciation	<u>246,802</u>
	422,067
Add - Construction work in progress	<u>23,685</u>
	<u>445,752</u>
Goodwill	<u>212,466</u>
Equity and other investments	<u>51</u>
Current Assets	
Cash	2,653
Accounts receivable, net of allowances of \$1,705 and \$1,899, respectively	48,729
Unbilled revenues	8,248
Inventories, at average cost	6,988
Prepaid income taxes	-
Other	<u>1,334</u>
Total current assets	<u>67,952</u>
Deferred Charges	
Regulatory assets - power contracts	279,249
Regulatory assets - pension costs	74,863
Regulatory assets - other	122,599
Other	<u>41,715</u>
	<u>518,426</u>
Total assets	<u>\$1,244,647</u>

The accompanying notes are an integral part of these financial statements.

Commonwealth Electric Company

Balance Sheets

(Dollars in thousands)

	(Unaudited)
	March 31,
<u>Capitalization and Liabilities</u>	<u>2003</u>
Common Equity -	
Common stock, \$25 par value -	
Authorized and outstanding -	
2,043,972 shares, wholly-owned by NSTAR	\$ 51,099
Amounts paid in excess of par value	365,548
Retained earnings	<u>85,622</u>
	502,269
Long-term debt, less current sinking fund	
requirements and current maturities	<u>184,615</u>
	<u>686,884</u>
Current Liabilities	
Interim Financing -	
Notes payable to banks	-
Advances from affiliates	<u>-</u>
	<u>-</u>
Other Current Liabilities -	
Current maturities and sinking fund requirements	3,481
Accounts payable -	
Affiliates, net	12,977
Other	32,902
Deferred income taxes	39,408
Accrued interest	2,797
Other	<u>12,828</u>
	<u>104,393</u>
Total current liabilities	<u>104,393</u>
Deferred Credits	
Power contracts	279,249
Accumulated deferred income taxes	79,989
Unamortized investment tax credits	4,498
Other	<u>89,634</u>
	<u>453,370</u>
Commitments and Contingencies	
Total capitalization and liabilities	<u>\$1,244,647</u>

The accompanying notes are an integral part of these financial statements.

Energy Investment Services, Inc.
Balance Sheet

	March 2003
<u>Current Assets</u>	
Cash and equivalents	\$ 19,780,878
Prepaid and Other Current Asset	<u>18,817</u>
Total Current Assets	19,799,695
Total Assets	<u><u>\$ 19,799,695</u></u>
 Common Stock Equity	 \$ 17,027,089
<u>Current Liabilities</u>	
Accounts Payable	974
Accounts Payable - Assoc. Co., net	2,294,523
Other Current Liabilities	<u>477,417</u>
Total Current Liabilities	2,772,914
 Accum. Def Income Tax	 <u>(308)</u>
Total Capitalization and Liabilities	<u><u>\$ 19,799,695</u></u>

Harbor Electric Energy Co.

Balance Sheet

	March 2003
Assets	
Net Plant	\$ 21,863,088
<u>Current Assets</u>	
Cash and equivalents	716,922
Accounts Receivable, net	438,944
Allowance for Doubtful Account	(15,375)
Prepaid and Other Current Asset	<u>35,260</u>
Total Current Assets	1,175,751
Deferred Debit (net)	<u>1,052,248</u>
Total Assets	<u>\$ 24,091,087</u>
Capitalization and Liabilities	
Common Stock Equity	\$ 4,379,581
Long-Term Debt	19,187,086
<u>Current Liabilities</u>	
LTD Due 1 Year	275,000
Accounts Payable, net	<u>249,420</u>
Other Current Liabilities	<u>524,420</u>
Total Current Liabilities	
Total Capitalization and Liabilities	<u>\$ 24,091,087</u>

Hopkinton LNG Corp

Balance Sheet

March
2003

Non-Utility Plant, net \$ 10,062,670

Current Assets

Cash and equivalents 44,115
A/R from Assoc. Cos., net 1,199,678
Prepaid and Other Current Asset (241,691)
Total Current Assets 1,002,102

Deferred Debits 12,392

Total Assets \$ 11,077,164

Common Stock Equity \$ 5,755,845

Current Liabilities

Notes Payable - Assoc. Co. 3,275,000
Accounts Payable 29,510
Other Current Liabilities (53,284)
Total Current Liabilities 3,251,226

Deferred Credits 2,070,093

Total Capitalization and Liabilities \$ 11,077,164

MEDICAL AREA TOTAL ENERGY PLANT, INC.**Consolidated Balance Sheets****(In Thousands)**

	(Unaudited) March 31, 2003
<hr/>	
<u>ASSETS</u>	
Current Assets:	
Cash and cash equivalents	\$ 21
Restricted cash	11,736
Accounts receivable:	
Affiliated companies	3,557
Trade	9,601
Prepaid expenses	922
Fuel inventory, at average cost	476
Total Current Assets	<hr/> 26,313
Property, plant and equipment, at cost	67,174
Less - accumulated depreciation	<hr/> 17,279
Net property, plant and equipment, at cost	49,895
Construction work in progress	42,674
Noncurrent Assets:	
Deferred tax assets	56,097
Power sale agreements	21,275
TOTAL ASSETS	<hr/> <hr/> \$ 196,254

LIABILITIES AND SHAREHOLDER INVESTMENT

Current Liabilities:	
Long-term debt due in 1 year	\$ 2,411
Accounts payable:	
Affiliated companies	6,695
Trade	10,936
Notes payable, parent company	6,400
Property tax payable	1,030
Provision for potential customer refund	2,524
Accrued interest and other	5,143
Total Current Liabilities	<hr/> 35,139
Long-term debt, net of discount	102,091
Shareholder Investment:	
Additional paid-in capital	51,540
Retained earnings	7,484
Total Shareholder Investment	<hr/> 59,024
TOTAL LIABILITIES AND SHAREHOLDER INVESTMENT	<hr/> <hr/> \$ 196,254

Northwind Boston, LLC
Consolidated Balance Sheets

	March 2003
<u>Assets</u>	
Assets available for sale	\$ -
Current Assets	
Cash and equivalents	66,331
Accounts Receivable	-
Prepaid and other	11,881
Total Current Assets	<u>78,212</u>
Deferred debits	<u>-</u>
Total Assets	<u>\$ 78,212</u>
<u>Capitalization and Liabilities</u>	
Common Equity	\$ (14,652,695)
Paid in Capital	-
Current Liabilities	
Accounts Payable	-
Intercompany Accounts Payable, net	338,907
Other Current Liabilities	<u>850,000</u>
Total Current Liabilities	<u>1,188,907</u>
Deferred Credits	<u>13,542,000</u>
Total Capitalization and Liabilities	<u>\$ 78,212</u>

NSTAR Communications Securities Corporation
Balance Sheet

	March 2003
Assets	
Current assets:	
Cash and equivalents	\$ 107,015
Total current assets	<u>107,015</u>
Investments - RCN	<u>8,349,979</u>
Total assets	<u><u>8,456,994</u></u>
Capitalization and Liabilities	
Premium on common stock	93,251,111
Retained earnings	<u>(47,777,187)</u>
Total common equity	<u>45,473,924</u>
Comprehensive Income	2,203,467
Current liabilities:	
Intercompany accounts payable	210
Other current liabilities	<u>1,952</u>
Total current liabilities	<u>2,162</u>
Deferred taxes	<u>(39,222,559)</u>
Total capitalization and liabilities	<u><u>\$ 8,456,994</u></u>

NSTAR Communications, Inc.
Consolidated Balance Sheets

	March 2003
Cash	\$ 390,767
Accounts receivable trade	2,409,102
Inventory	2,372,656
Other current assets	112,002
Total Current Assets	<u>5,284,527</u>
Property, plant and equipment	38,010,753
Construction work in process	146,201
Accumulated depreciation	(7,851,945)
Asset retirement obligation	33,409
Total Fixed Assets	<u>30,338,418</u>
Investment In RCN common stock	8,349,979
Total Assets	<u><u>\$ 43,972,924</u></u>
Accrued expenses	\$ 1,186,700
Accrued income taxes	(1,645,012)
Payable to affiliates	<u>11,938,669</u>
Total Current Liabilities	<u>11,480,357</u>
Accumulated deferred income taxes	(5,708,983)
Asset Retirement Obligation	68,652
Deferred Revenue	551,236
Paid in capital	258,232,647
Accumulated deficit	(222,854,452)
Other comprehensive income	<u>2,203,467</u>
Total Stockholder's Equity	<u>37,581,662</u>
Total Liabilities & Stockholder's Equity	<u><u>\$ 43,972,924</u></u>

NSTAR ELECTRIC AND GAS CORPORATION

Balance Sheet

	March 2003
<u>Assets</u>	
Net Plant	\$ 64,387
Other Investments	27,464,935
Current Assets	
Cash and equivalents	14,169,484
Accounts Receivable	67,540
A/R from Assoc. Cos., net	8,961,982
Prepaid and Other Current Asset	4,992,682
Total Current Assets	28,191,688
Deferred Debits	<u>5,399,000</u>
Total Assets	<u>\$ 61,120,010</u>
<u>Capitalization and Liabilities</u>	
Common Stock Equity	\$ (3,657,025)
Current Liabilities	
Accounts Payable	20,412,862
Other Current Liabilities	<u>11,892,192</u>
Total Current Liabilities	32,305,054
Deferred Credits	<u>32,471,981</u>
Total Capitalization and Liabilities	<u>\$ 61,120,010</u>

NSTAR
Condensed Consolidated Balance Sheets

(in thousands)

	(Unaudited) March 31, 2003
<u>Assets</u>	
Utility plant in service, at original cost	\$ 4,105,652
Less: accumulated depreciation	<u>1,334,488</u>
	2,771,164
Construction work in progress	<u>87,573</u>
Net utility plant	2,858,737
Non-utility property, net	137,982
Goodwill	448,311
Equity and other investments	74,752
Current assets:	
Cash and cash equivalents	27,105
Restricted cash	35,052
Accounts receivable, net and accrued unbilled revenues	389,810
Inventory, at average cost	37,544
Other	<u>11,652</u>
Total current assets	<u>501,163</u>
Deferred debits:	
Regulatory assets - other	901,303
Regulatory asset - power contracts	582,935
Regulatory asset - pension costs	431,379
Other	<u>93,785</u>
	<u>2,009,402</u>
Total assets	\$ 6,030,347 =====

The accompanying notes are an integral part of the condensed consolidated financial statements.

NSTAR
Condensed Consolidated Balance Sheets

(in thousands)

	<u>(Unaudited)</u> March 31, 2003
<u>Capitalization and Liabilities</u>	
Common equity:	
Common shares, par value \$1 per share (100,000,000 shares authorized; 53,032,546 shares issued and outstanding)	\$ 53,033
Premium on common shares	871,382
Retained earnings	396,586
Accumulated other comprehensive loss	<u>(5,287)</u>
Total common equity	<u>1,315,714</u>
Cumulative non-mandatory redeemable preferred stock of subsidiary	<u>43,000</u>
Long-term debt	1,793,792
Transition property securitization	<u>411,081</u>
Total long-term debt	<u>2,204,873</u>
 Total capitalization	 <u>3,563,587</u>
Current liabilities:	
Long-term debt	7,596
Transition property securitization	58,405
Notes payable	217,400
Accounts payable	256,443
Accrued expenses	228,604
Deferred income taxes	<u>23,047</u>
Total current liabilities	<u>791,495</u>
Deferred credits:	
Accumulated deferred income taxes and unamortized investment tax credits	678,827
Power contracts	679,408
Pension liability	159,225
Other	<u>157,805</u>
	<u>1,675,265</u>
Commitments and contingencies	
 Total capitalization and liabilities	 \$ 6,030,347 =====

The accompanying notes are an integral part of the condensed consolidated financial statements.

NSTAR GAS COMPANY

BALANCE SHEETS

(Dollars in thousands)

ASSETS	(Unaudited) March 31, <u>2003</u>
PROPERTY, PLANT AND EQUIPMENT, at original cost	\$ 482,869
Less - Accumulated depreciation	<u>171,054</u>
	311,815
Add - Construction work in progress	<u>9,858</u>
	<u>321,673</u>
GOODWILL	185,283
CURRENT ASSETS	
Cash	3,212
Accounts receivable -	
Affiliated companies	9,333
Customers, net of allowances of \$4,821 in 2003 and \$2,674 in 2002	94,423
Unbilled revenues	10,179
Inventories, at average cost -	
Natural gas	11,724
Materials and supplies	1,643
Deferred tax asset	16,354
Prepaid expenses and other	-
Total current assets	<u>146,868</u>
DEFERRED CHARGES	
Regulatory assets - pension costs	78,331
Regulatory assets - other	19,540
Other	<u>30,095</u>
	<u>127,966</u>
	<u>\$ 781,790</u>

The accompanying notes are an integral part of these financial statements.

NSTAR GAS COMPANY

BALANCE SHEETS

(Dollars in thousands)

	(Unaudited) March 31, <u>2003</u>
CAPITALIZATION	
Common Equity -	
Common stock, \$25 par value - authorized and Outstanding - 2,857,000 shares, wholly owned by NSTAR	\$ 71,425
Amounts paid in excess of par value	247,910
Retained earnings	<u>65,665</u>
	385,000
Long-term debt, less current sinking fund requirements	<u>90,714</u>
	<u>475,714</u>
CURRENT LIABILITIES	
Interim Financing -	
Notes payable to banks	32,500
Advances from affiliates	<u>26,385</u>
	<u>58,885</u>
Other Current Liabilities -	
Current sinking fund requirements	1,429
Accounts payable -	
Affiliated companies	5,212
Other	51,877
Accrued local property and other taxes	13,277
Customer deposits	1,405
Accrued interest	2,047
Other	<u>15,322</u>
	<u>90,569</u>
	<u>149,454</u>
DEFERRED CREDITS	
Accumulated deferred income taxes	54,529
Unamortized investment tax credits	4,441
Other	<u>97,652</u>
	<u>156,622</u>
COMMITMENTS AND CONTINGENCIES	
	<u>\$ 781,790</u>

The accompanying notes are an integral part of these financial statements.

NSTAR Steam Corporation **Balance Sheets**

	March 2003
<u>Assets</u>	
Property, Plant & Equipment - net	\$ 1,835,160
Current Assets	
Cash and equivalents	115,265
Accounts Receivable	4,947,236
Money Pool A/R	2,300,000
Prepaid and Other Current Assets	54,958
Total Current Assets	7,417,459
Deferred Debits	313,378
Total Assets	<u>\$ 9,565,997</u>
<u>Capitalization and Liabilities</u>	
Total Common Equity	\$ 6,208,114
Current Liabilities	
Accounts Payable	895,646
Accounts Payable - Assoc. Co., net	1,832,266
Other Current Liabilities	491,506
Total Current Liabilities	3,219,418
Deferred Credits	138,465
Total Capitalization and Liabilities	<u>\$ 9,565,997</u>

